CANADA - PRINCE EDWARD ISLAND
CROP INSURANCE

ANNUAL REPORT

1987-88

Prince Edward Island
Crop Insurance Agency

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PHONE 368-4870

PRINCE EWARD ISLAND

CROP INSURANCE AGENCY

The Honourable Tim Carroll
Minister of Agriculture
Dept. of Agriculture
P.O. Box 2000
Charlottetown
Province of Prince Edward Island

Sir:

I have the honour of submitting herewith the Annual Report of the Canada-Prince Edward Island Crop Insurance Agency.

This report includes a brief summary of operations and the audited Financial Statements for the fiscal year ending March 31st, 1988.

Respectfully Submitted

J. Scott MacFarlane
A/ Manager

Ronald B. McInnis
Manager
Prince Edward Island
Crop Insurance Agency

1987-88 ANNUAL REPORT

OF

THE CROP INSURANCE AGENCY OF P.E.I.

FOR THE FISCAL YEAR ENDING MARCH 31, 1988

BOARD MEMBERS

Bill Lewis	-	Chairman
Raynall MacNeill	-	Secretary
George Walsh	-	Member
Ronnie MacWilliams	-	Member
John MacKinnon	-	Member

OFFICE STAFF

Ronald B. McInnis	-	Manager
Jean Morrison	-	Accountant
Gloria Dalziel	-	Secretary
Scott MacPhail	-	Technician

FIELD STAFF

Holland Cahill	-	Tignish
Clarence Ross	-	Bonshaw
John Fitzpatrick	-	Sherwood

The Prince Edward Island Crop Insurance Agency is a Crown Corporation of the Province of Prince Edward Island under the authority of the Minister of Agriculture.

OBJECTIVES OF THE AGENCY

(a) The objectives of the Agency are to make available to Prince Edward Island farmers, a comprehensive all-risk crop insurance plan, which in years of crop losses will return to the farmer his cost of production.

(b) Offer protection against crop loss caused by all natural hazards from date of seeding to the final harvest date.

RESPONSIBILITIES

1. Administration of the Crop Insurance Act.
2. Administration of Crop Insurance Plans, established by regulations, including the function of selling, underwriting, claims adjusting and accounting.
3. Conducting surveys and research programs relating to crop insurance.
4. Train staff to maintain a high degree of efficiency of operation.

FINANCIAL PARTICIPATION

The Government of Canada provides financial assistance to the Canada-Prince Edward Island Crop Insurance Program by contributing fifty percent of the total premium required each year. The Federal Government's contribution to this program totalled $1,294,979.00 for 1987-88.

The Government of Prince Edward Island contributes all of the administrative costs, totalling approximately $212,751.00 for the year 1987-88.

P.E.I. CROP INSURANCE PROGRAMS FOR 1987-88

PLANS AVAILABLE	COVERAGE AVAILABLE	UNIT PRICE	PREMIUM
1. Potatoes	75%	3.5¢ & 4¢ per pound	7%, 9% & 12%
2. Spring Grains	75%	5¢, 6¢ & 7¢ per pound	10.00%
3. Field Peas	75%	5¢, 6¢ & 7¢ per pound	10.00%
4. Corn	75%	$12.00 per ton	10.00%
5. Tobacco	80%	90% of last two years' average	5.60%
6. Cole Crops	80%	90% of last two years' average	12.00%
7. Processing Peas	$264.00	per acre	$31.68 per acre
8. Cabbage	70%	$2.50 per bushel	9.50%
9. Rutabagas	80%	$1.15 per bushel	12.80%
10. Strawberries	up to $1400.00	per acre	8.60%
11. Winter Cereals	75%	7¢ per pound	10.00%
12. Soybeans	75%	9¢ per pound	10.00%

1987 CROP SUMMARY

CROPS	CONTRACTS	ACRES	PREMIUM	COVERAGE
POTATOES	442	28,227.9	2,013,168	20,133,278
GRAIN	132	12,982.5	123,610	1,240,555
TOBACCO	49	3,000.9	375,552	7,175,944
RUTABAGAS	18	149.0	9,171	64,089
COLE CROPS*	19	211.0	31,718	268,382
STRAWBERRIES	3	9.0	997	10,100
PROCESSING PEAS	12	742.0	23,506	195,888
WINTER CEREALS	4	377.0	5,076	50,749
SOYBEANS	12	697.0	8,645	116,818
TOTALS	691	46,396.3	2,591,443	29,255,802

* Broccoli
Brussel Sprouts
Cauliflower
Cabbage

AUDITOR GENERAL

CHARLOTTETOWN

PRINCE EDWARD ISLAND

P.E.I. CROP INSURANCE AGENCY

FINANCIAL STATEMENTS

MARCH 31, 1988

AUDITOR GENERAL

CHARLOTTETOWN

PRINCE EDWARD ISLAND

AUDITOR'S REPORT

To the Board of Directors of the
Prince Edward Island Crop Insurance Agency

I have examined the balance sheet of the Prince Edward Island Crop Insurance Agency as at March 31, 1988 and the statement of revenue, expense and deficit for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Agency as at March 31, 1988 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

J. Wayne Murphy, C.A.
Auditor General

Charlottetown, Prince Edward Island
May 11, 1988

STATEMENT 1

PRINCE EDWARD ISLAND CROP INSURANCE AGENCY

BALANCE SHEET

MARCH 31, 1988

(with comparative figures at March 31, 1987)

ASSETS

	1988	1987
Current Assets		
Cash	$ 24,714	$ 70,145
Accounts Receivable	6,981	5,577
Prepaid Interest	71,901	-
	$ 103,596	$ 75,722

LIABILITIES AND DEFICIT

Indemnities Payable	$ 18,614	$ 97,148
Deferred Revenue	6,188	9,386
Promissory Note - Province of P.E.I. (1988: 9.4%, 1987: 8.1%)	1,841,000	195,740
	1,865,802	302,274
Deficit - Note 3	(1,762,206)	(226,552)
	$ 103,596	$ 75,722

(Notes 1 to 3 and Schedule 1 are an integral part of these financial statements)

ON BEHALF OF THE BOARD:

DIRECTOR: Bill Lewis

DIRECTOR: Reynold MacNeill

PRINCE EDWARD ISLAND CROP INSURANCE AGENCY

STATEMENT OF REVENUE, EXPENSE AND DEFICIT

FOR THE YEAR ENDED MARCH 31, 1988

(with comparative figures for the year ended March 31, 1987)

	1988	1987
Revenue		
Insurance Premiums	$1,295,722	$1,292,266
Federal Contributions - Note 1	1,297,034	1,291,007
Provincial Appropriation - Note 2	214,258	201,244
Interest	54,390	23,006
	2,861,404	2,807,523
Expense		
Indemnities - Schedule 1	4,144,640	1,617,694
Administrative Expenses - Note 2	214,258	201,244
Interest	38,160	32,332
	4,397,058	1,851,270
Loss (Income) for the Year	1,535,654	(956,253)
Deficit at Beginning of Year	226,552	1,182,805
Deficit at End of Year	$1,762,206	$ 226,552

(Notes 1 to 3 and Schedule 1 are an integral part of these financial statements)

SCHEDULE 1

PRINCE EDWARD ISLAND CROP INSURANCE AGENCY
SCHEDULE OF PREMIUMS AND INDEMNITIES BY PROGRAM
AS AT MARCH 31, 1988

	Excess Indemnities (Premiums) Beginning	Premiums	Indemnities	Excess Indemnities (Premiums) Ending
Potatoes	$ 2,173,674	$2,015,029	$3,799,921	$ 3,958,566
Tobacco	(1,416,673)	375,003	157,463	(1,634,213)
Grain	(256,977)	123,610	33,499	(347,088)
Cole Crops	263,191	31,718	94,189	325,662
Rutabagas	13,994	9,171	11,939	16,762
Processing Peas	(83,373)	23,507	40,885	(65,995)
Corn	1,344	-	-	1,344
Winter Wheat	39,112	5,076	2,100	36,136
Soybean	105,009	8,645	4,644	101,008
Other	17,549	997	-	16,552
	$ 856,850	$2,592,756	$4,144,640	$ 2,408,734
Other Surpluses				(645,528)
Deficit				$ 1,762,206

PRINCE EDWARD ISLAND CROP INSURANCE AGENCY

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 1988

1. Federal Contributions
The Government of Canada contributes amounts on a quarterly basis to match the premium income paid by insured farmers.

2. Provincial Appropriation--Administrative Expenses
The administrative expenses were appropriated by the Province of Prince Edward Island and paid through the Department of Agriculture on behalf of the Crop Insurance Agency.

Administrative Expenses	1988	1987
Salaries	$188,248	$173,336
Travel	23,553	22,795
Supplies and Administration	1,109	1,873
Fees - Board Members	1,348	3,240
	$214,258	$201,244

3. Deficit
Section 65 of the Financial Administration Act of the Province states that, "profits or losses of Crown Corporations shall be taken into the revenues or expenditures of the Consolidated Fund in the year in which they become apparent unless the Lieutenant Governor in Council declares by Minute-in-Council that the profit is to be retained or the loss recouped by the Crown Corporation." Order-in-Council No. 378/88 states that the accumulated deficit of the Prince Edward Island Crop Insurance Agency for the year ended March 31, 1988 in the amount of $1,762,206 shall be recouped by the Corporation.